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IN THE

SUPREME COURT OF THE

UNITED STATES

No. 371

RODEO MUSIC CORP., dba BELAIR ENTERPRISES,

Petitioner,

vs.

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA,

Respondents,

and

TOYO RADIO COMPANY OF AMERICA, a corporation, TOYO RADIO CO., LTD., a corporation, and MITSUO FUKUYAMA,

Real Parties in Interest.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

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CR 4-8045 BR 2-9531

Attorney for Petitioner

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

TO THE HONORABLE CHIEF JUSTICE AND ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

RODEO MUSIC CORP., a California corporation, doing business as BELAIR ENTER-

PRISES, the Petitioner herein, prays that a writ of certiorari issue to review the order of the United States Court of Appeals for the Ninth Circuit, entered in the above entitled case on April 14, 1970.

OPINIONS BELOW

The opinion of the Circuit Court of Appeals for the Ninth Circuit is unreported and is printed in Appendix A hereto pp. 1-2 . A prior opinion had been delivered by the United States District Court for the Central District of California; which is also unreported and is printed in Appendix A, pp. 3-7

II

JURISDICTION

The order of the Circuit Court of Appeals was entered on April 14, 1970. The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1), and Supreme Court Rule 19.

III

QUESTION PRESENTED

In view of the express Congressional grant of concurrent jurisdiction to state courts to hear and decide trademark causes of action arising under Acts of Congress, embodied in 28 U.S.C. §1338(a), and the constitutional requirement of concurrent jurisdiction in cases involving trademarks, did the Ninth Circuit Court of Appeals commit error in denying Petitioner's request for the issuance of writs of prohibition and mandamus, prohibiting the District Court for the Central District of California from proceeding in this matter and ordering said District Court to remand the proceedings herein to the state court in which they were originally filed.

IV

STATUTES INVOLVED

Citations to the statutes involved are set forth below; the text of said statutes are set forth in full in Appendix B.

Statutes

15 U.S.C. §1065
§1114

15 U.S.C.	§1115
	§1116
	§1117
	§1119
	§1121
	§1125(a)
28 U.S.C.	§1332
	§1338(a)
	§1441
	§1651
29 U.S.C.	§216(b)

V

STATE OF THE CASE

A. Parties to Petition

The Petitioner is Rodeo Music Corp., a duly organized and existing California corporation, doing business as BELAIR ENTERPRISES. Petitioner is the plaintiff in an action originally brought in the Superior Court for the County of Los Angeles, State of California, No. 966-278.

The Respondents are: The United States District Court for the Central District of California, and the Hon. Jesse W. Curtis, a United States District Judge therein. The Order

denying Petitioner's Motion to Remand the cause herein to the State court in which it was commenced was made by Respondent, United States District Court, Central District of California.

The Real Parties in Interest are: Toyo Radio Company of America, a California corporation and the wholly-owned subsidiary of Toyo Radio Co., Ltd., a Japanese corporation (hereafter sometimes called the Toyo Companies), and Mitsuo Fukuyama, an officer of said companies, each of whom are named defendants in civil case No. 966-278, commenced in the Superior Court for the County of Los Angeles, State of California.

B. The Scope of the Complaint

On December 3, 1969 Petitioner filed its verified complaint in the Superior Court of the State of California for the County of Los Angeles. Said complaint consists of five counts which, in the main, grow out of the business relationship between Petitioner and the Toyo Companies.

As alleged in Count One thereof, Toyo Japan, since some time in early 1968, has been manufacturing for Petitioner to its specifications, certain 8-track cartridge and cassette type tape instruments (hereafter tape instruments), which Petitioner has been selling to

various distributors throughout the United States. These tape instruments have been extensively advertised, sold, distributed and serviced by Petitioner and its distributors and warranty service centers under the name "Belair". The first count of the complaint herein is brought under the California law of trademark, trade name and unfair competition, and seeks both injunctive and damage relief concerning the use by the Toyo Companies of the name "Belair" on or in connection with the sale of tape instruments to persons other than Petitioner and also for palming off or representing any of Petitioner's Belair Warranty Service Centers, as belonging to the Toyo Companies or rendering services on its behalf.

The second count is brought under the Federal Lanham Act (15 U.S.C. §1051 et seq. and, more particularly, §§1965 and 1114 to 1117 thereof) by reason of the fact as alleged in said count, that Petitioner is now the owner through assignment of two trademarks registered under that Act which have become incontestable, pursuant to 15 U.S.C. §1065. Count Two further alleges that said registered trademarks, along with the goodwill attendant thereto, were sold to Petitioner by their then owner prior to the commencement of the subject action. The relief sought under the Lanham Act count is substantially identical with that sought under the first count of Petitioner's complaint.

The third count relates to a claim for damages for breach of a certain agreement

("the settlement agreement") entered into on or about September 28, 1969 between Petitioner and the Toyo Companies (a true and correct copy of which is attached to the complaint as Exhibit "C"). This settlement agreement purported to settle a number of the outstanding disputes then existing between Petitioner and the Toyo Companies. The trial of this cause of action will obviously involve many matters entirely separate and distinct from the matters which will have to be tried in respect to the trade name and trademark claims contained in the first and second counts.

The fourth count seeks fraud damages, again based upon the breach of the settlement agreement.

The fifth count seeks as alternative relief, if Petitioner should so elect at trial, the rescission of the settlement agreement on the ground that Petitioner's consent thereto was given by mistake and obtained through the fraud of the Real Parties in Interest. The relief sought under this count is for a judgment rescinding the settlement agreement "and thereafter granting all appropriate relief under the agreements attached [to the complaint] as Exhibits "A" and "B" as proof shall require, including, if Petitioner should so elect, specific performance thereof."

It can thus be seen that of the five counts contained in the complaint which had been removed to the Respondent Court, four involve non-federal claims for relief over which it had

no jurisdiction whatsoever (except as provided in 28 U.S.C. §1441(c)). 1/

C. The Status of the Action

As noted above, the complaint herein was filed in state court on December 3, 1969, at which time a Temporary Restraining Order and Order to Show Cause re Preliminary Injunction was issued by that court. On December 17, 1969, there was an all-day hearing on the Order to Show Cause re Preliminary Injunction. Said hearing consisted in part of the examination by Petitioner of three witnesses, one under subpena, and extensive oral argument lasting about two hours. At its conclusion a prelimary injunction was granted and two days later there was a lengthy, informal meeting in chambers during which the preliminary injunction was modified, and the argument of the Real Parties in Interest to increase the size of the Preliminary Injunction bond was heard and denied.

On December 31, 1969, the Real Parties

1/ The Respondent Court has no jurisdiction over the subject complaint under the diversity statute (28 U.S.C. §1332) for the reason that one of the principal Real Parties in Interest, Toyo, America, is a California corporation with its principal place of business in Los Angeles.

in Interest removed Petitioner's cause to the Respondent United States District Court for the Central District of California. On January 14, 1970 Petitioner filed with the Respondent District Court a Motion to Remand. The matter was heard by Respondent, the Hon. Jesse W. Curtis, on February 9, 1970, and Judge Curtis denied Petitioner's Motion by an Order filed on February 13, 1970.

On March 3, 1970, Petitioner filed in the United States Court of Appeals for the Ninth Circuit a Petition for Writs of Prohibition and Mandamus and for a Stay of Proceedings. On March 12, 1970, said Circuit Court ordered the Real Parties in Interest to file an answer to this said Petition within ten days of said date. On April 14, 1970, the said Circuit Court denied the Writs of Prohibition and Mandamus by an order filed on April 14, 1970.

VI

REASONS FOR GRANTING THIS WRIT

A. The Factors Which Lead This Court to Review Writs of Certiorari, as Set Forth in Supreme Court Rule 19, Are Present Here.

(1) The decision of the Ninth Circuit Court of Appeals herein, refusing to order the District Court to remand this matter to the State Court in which it was commenced, is in direct conflict with the decisions of the other Circuit Courts which have remanded suits commenced under the Fair Labor Standards Act of 1938, 29 U.S.C. §216(b).

(2) Removability of cases brought under the Lanham Act is an undecided question of great importance, and, especially since Federal-State relations are at issue, one which should certainly be determined by this Court.

B. A Federal Appellate Court Should Issue a Writ of Prohibition to Prevent a Lower Court From Wrongfully Assuming Jurisdiction of a Cause.

In re Rice, 155 U.S. 396 (1894);

Southern Pacific Co. v. United States District Court for the Northern Dist. of Calif., et al., 190 F.2d 735 (9th Cir. 1951).

The Ninth Circuit has indicated that, where a district court is about to exceed its jurisdiction, a Writ of Prohibition is proper. Thus, in Southern Pacific Co. v. District Court for the Northern Dist. of California, supra, at page 738, it declared that:

> "We may not issue a writ of prohibition unless it clearly appears that the inferior court is about to exceed its jurisdiction. Hammond Lumber Co. v. U.S. Dist. Court, 9th Cir., 240 F. 924."

This Court has stated that:

> "Where it appears that the court whose action is sought to be prohibited has clearly no jurisdiction of the cause originally, or of some collateral matter arising therein, a party who has objected to the jurisdiction at the outset, and

has no other remedy, is entitled to a writ of prohibition as a matter of right."

In re Rice, supra, at pages 407-408.

As will be explicated in greater detail below, a writ of prohibition is proper here, since a Lanham Act cause of action commenced in a state court is not removable by virtue of the grant of concurrent authority implicit in 28 U.S.C. §1338(a) and mandated by constitutional requirements and, therefore, the Respondent District Court exceeded its jurisdiction in denying Petitioner's Motion to Remand.

C. An Order Denying Remand is Reviewable by Mandamus.

28 U.S.C. §1651;

Rule 21 of Federal Rules of Appellate Procedure;

Maryland v. Soper No. 1, 270 U.S. 9 (1926);

In re Winn, 213 U.S. 458 (1909);

Ex parte Wisner, 203 U.S. 449 (1906);

Virginia v. Paul,
148 U.S. 107 (1893).

This Court in In re Winn, supra, issued a Writ of Mandamus to the District Court for the Southern District of Iowa, Central Division, compelling the judge therein to remand a case to the State Court in which it was originally brought. The court held that where a cause has been improperly removed, an appellate court must issue a Writ of Mandamus, remanding the cause to the State court.

The Court referred to and quoted from Ex parte Bradley, 7 Wall. 364, 19 L. Ed. 214, where it was held that a Writ of Mandamus will issue when "no amount of judicial discretion over a court can supply a defect or want of jurisdiction in the case."

Id. at p. 377.

In the case of Ex parte Wisner, supra, a cause was improperly removed from the State court in which it was brought and this Court issued a Writ of Mandamus ordering that the cause be remanded to the State court. On page 461 the court declared that:

> "Our conclusion is that the case should have been remanded; and, as the Circuit Court had no jurisdiction to proceed, that mandamus is the proper remedy."

D. The Federal Removal Statute (28 U.S.C. §1441) is to Be Strictly Construed and the Universal Rule is That in Doubtful Cases, the District Court Should Remand the Action to the State Court.

28 U.S.C. §1441 provides as follows:

"Actions removable generally

"(a) Except as otherwise expressly provided by Act of Congress, any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant or defendants, to the district court of the United States for the district and division embracing the place where such action is pending.

"(b) Any civil action of which the district courts have original jurisdiction founded on a claim or right arising under the Constitution, treaties or laws of the United States shall be removable without regard to the citizenship or residence of the parties. Any other such action shall be removable only if none of the parties in interest properly joined and served as defendants is a citizen of the state in which such action is brought.

"(c) Whenever a separate and independent claim or cause of action, which would be removable if sued upon alone, is joined with one or more otherwise non-removable claims or causes of action, the entire case may be removed and the district court may determine all issues therein, or, in its discretion, may remand all matters not otherwise within its original jurisdiction."

As stated in 1-A Moore's Federal Practice, par. 0.157 [1.-3], page 75:

"For seventy-five years or more, the courts have construed the removal statutes to effectuate the Congressional purpose generally to restrict the jurisdiction of the federal courts on removal, and, to that end, have construed the removal statutes strictly and, on the whole, against the right of removal."

And 32 Am. Jur. 2d, Federal Practice and Procedure, §456, pp. 1001-1002, states:

"Thus, it is generally recognized that removal statutes must be strictly construed against removal. All doubts raised by the question of removability should be resolved in favor of state court jurisdiction and against removal, and removal should not be allowed

where there is any doubt as to the right of removal in the first instance. In case of doubt as to the propriety of the removal, the Federal District Court should remand the case to the state court. A suggestion that Congress possesses the power to confer a right of removal in a given case is not a sufficient reason to induce the court to extend an existing enactment by construction so as to embrace the right, unless the words of the statute warrant such construction."

A good discussion of the rationale underlying this general rule appears in Couch v. White Motor Co., 240 F. Supp. 697, 699 (W.D. Mo. 1968) where the court declares:

"This policy of strict construction of removal statutes is based on several reasons. If removal is permitted in a doubtful case and the removing defendant suffers an adverse judgment, he may attack the propriety of removal in the first instance or appeal and secure a reversal for lack of jurisdiction of the federal district court. . . Moreover, a court of Appeals on its own initiative may raise the question of lack of jurisdiction and reverse the judgment because removal was not justified (citations omitted). Another consideration is the trend of Congress toward restricting diversity jurisdiction of the federal

courts. This is apparent from the amendments raising the jurisdictional amount from $3,000 to $10,000 in diversity cases. Section 1332(a), Title 28, U.S.C., as amended in 1958. Another consideration which is still operative is the 'concept that the rightful independence and sovereignty of state governments require that the Federal Courts scrupulously confine their own jurisdiction within the precise limits which the statute has defined (citations omitted).' "

See also:

Shamrock Oil & Gas Corp. v. Sheets, 313 U.S. 100 (1941), and

Hill v. United Fruit Co., 149 F. Supp. 470 (S.D. Cal. 1957).

Prior to 1948, 28 U.S.C. §1441(a) provided that an action was removable whenever the district court had original jurisdiction over said action. In 1948 the section was amended by prefacing the section with the words:

"Except as otherwise expressly provided by Act of Congress."

It is clear, however, that such language was added to restrict rather than to expand

removal jurisdiction. See Wilkins v. Renault Southwest, Inc., 227 F. Supp. 647 (N.D. Tex. 1964), where the court, referring to §1441(a), stated that:

> "In enacting the 1948 amendment, Congress intended to limit - not extend - removability."

See also:

> Carter v. Hill & Hill Truck Line, 259 F. Supp. 429 (S.D. Tex. 1956); and
>
> American Fire & Gas Co. v. Finn, 341 U.S. 6, 9-10 (1951).

Moreover, Congress has also manifested its desire for a narrow construction of the removal statutes by expressly denying the right to seek review of an order of remand by appeal or writ (except in certain civil rights cases). Thus, 38 U.S.C. §1447(d) provides in part:

> "An order remanding a case to the State court from which it was removed is not reviewable on appeal or otherwise except that [civil rights exception]."

In analyzing this statute and the cases decided thereunder, Professor Moore states (1-A Moore's Federal Practice, paragraph

0.169 [2.-1] pp. 1442-1443):

"... The District Court's remand order is non-reviewable by appeal, including an interlocutory appeal, under §1292(b); by mandamus; or by any indirect method."

See also:

In re Bear Ribert Drainage District, 267 F.2d 849, 851 (10th Cir. 1959);

Collier v. Lederle, 252 F.2d 804, 805 (6th Cir. 1958);

Application of Rosenthall Block Chain Corp., 278 F.2d 713, 714 (2nd Cir. 1960).

On the other hand, as shown above, an order by the Federal Court denying removal is reviewable by way of both writ and appeal.

See 1-A Moore's Federal Practice, par. 0.169 [2.-3].

E. Removal of a Lanham Act Cause of Action is Improper Since Congress Has Expressly Vested the State Courts With Jurisdiction to Hear and Decide Lanham Act Actions.

An express grant of concurrent jurisdiction to state courts to hear and determine Lanham Act actions clearly appears in Title 28, U.S.C. §1338(a) which provides as follows:

> "The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases." (Emphasis added)

The exclusion of trademarks from exclusive federal jurisdiction was not mere happenstance and has led the courts and commentators uniformly to hold and declare that the state courts have concurrent jurisdiction over Lanham Act actions.

See e.g.,

> Legal Aspects of Competitive Business Practices (CEB 1961) §2.35 ("Actions for infringement of trademarks registered in the Patent Office

are within the concurrent original jurisdiction of federal and state courts. 15 U.S.C. §1121 (1958); 28 U.S.C. §1338(a) (1958); . . . ");

Callman's Unfair Competition and Trade Marks §90.2 (2d Ed. 1947) After quoting the predecessor section to 28 U.S.C. 1338(a), Callman declares:

> "A trade-mark is not created by governmental grant as is a patent, nor by statute, as is a copyright. The trade-mark right and its enforcement does not depend upon a statutory enactment, as do the rights and remedies declared by the anti-trust laws. Trade-mark rights arise at common law from use and appropriation, and not from federal registration. Therefore, a state court has jurisdiction in any case in which federal registration of a trade-mark is involved." (Emphasis added)

Some of the cases that so hold are as follows:

In re Keasbey & Matteson Co., 160 U.S. 221 (1895);

Shores v. Ship Steak Co.,
130 Cal. App. 2d 620,
279 P. 2d 591 (1955);

Oneida Community v. Oneida Game
Trap Co., 154 N.Y.S. 391
(1915); and

Julius Kayser & Co. v. Italian Silk
Underwear Co.,
146 N.Y.S. 22 (1914).

In addition to 28 U.S.C. §1338(a), a section of the Lanham Act itself, 15 U.S.C. §1116, might properly be construed as an additional express grant of concurrent jurisdiction. It provides in part as follows:

> "The several courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office . . . Any such injunction granted upon hearing after notice to the defendant by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt,

or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found . . ." (Emphasis added)

But compare 15 U.S.C. §1121.

Indeed, as noted in 4 Callman §90.2(b) n. 29, the Trademark Act of 1870 which attempted to confer exclusive jurisdiction upon the federal courts in trade-mark cases was declared unconstitutional in U.S. v. Steffens, 100 U.S. 82 (1879) and to save later acts of Congress it became necessary to construe them as conferring concurrent jurisdiction in the state courts. See In re Keasbey & Matteson Co., supra, and other cases cited in Callman op. cit., supra, n. 29.

F. The Cases Cited by the Real Parties in Interest and Relied On By the Respondent District Court and the Ninth Circuit Court of Appeals Are Neither Controlling Nor Persuasive Since They Did Not Consider Whether or Not Lanham Act Causes Per Se Are Properly Removable.

The only case which squarely considered

the efficacy of the removal of any Lanham Act cause is Ronson Art Metal Works v. Hilton Lite Corp., 111 F. Supp. 691 (N.D. Cal. 1953) wherein District Judge Friedman held that an unfair competition action commenced in state court fell within the ambit of the Lanham Act and hence was removable. But in so ruling, Judge Friedman clearly adopts Petitioner's position herein, i.e., that if there is concurrent jurisdiction under the Lanham Act, then removal would be improper. Thus, he declares:

> "We come then to the second question. Plaintiff urges that even though a federal question may be involved, there are certain cases which, when originally filed in the state court, cannot be removed to the federal court; that plaintiff has intended to bring this action under the laws of the State of California concerning unfair competition. There are certain cases which involve a federal question, but which, if originally filed in the state court, cannot be removed to the federal court. For example, the Federal Employers' Liability Act gives concurrent jurisdiction to the court of the United States and the state courts. 45 U.S.C.A. §56. Another example is the Federal Natural Gas Act of 1938, as amended 15 U.S.C.A. §717f(h), where the Act itself provides that the action may be brought in the District Court of the United States or

in the state courts. The Lanham Act makes no such provision." (Emphasis added, 111 F. Supp. at 693.)

Since, as established above, there is in fact concurrent jurisdiction to hear Lanham Act cases then under Judge Friedman's analysis removal of a Lanham Act complaint commenced in a state court is clearly improper.

The remaining five cases cited by the Real Parties in Interest for the proposition that a Lanham Act cause is removable are not controlling nor even persuasive. An analysis of these cases quickly demonstrates that not one of them actually considered the question of whether or not a cause founded on the Lanham Act may be removed from the state courts.

Two of the cases cited by the Real Parties in Interest have no application at all, since the parties in those cases did not petition to have the case remanded to the state court.

Massa v. Jiffy Products Company, 240 F. 2d 702 (9th Cir.), cert. denied 353 U.S. 947, 77 S. Ct. 825, 1 L. Ed. 2d 856 (1957);

Ultronic Systems Corp. v. Ultronex, Inc., 217 F. Supp. 89 (D. Del. 1963).

In Daland v. Hewitt Soap Company, 27 F. Supp. 482 (S.D. N.Y. 1939), the issue before the court was whether or not the case was properly removed to the federal courts on the grounds of diversity of jurisdiction. The court held that diversity of jurisdiction was present, and then gratuitously stated that the existence of a Lanham Act cause of action was an alternative ground for removal. It is clear that the parties did not argue this issue, and the court stated its dictum without benefit of legal research.

In Hazel Bishop, Inc. v. Perfemme, Inc., 315 F. 2d 399 (2nd Cir. 1963) plaintiff alleged causes of action for breach of contract, unfair competition and trademark infringement. The defendant removed the case to the federal court and neither party made a motion to remand the case to the state court. Plaintiff obtained judgment from the district court and, on appeal, defendant argued for the first time that the district court had no jurisdiction over the matter. The Court of Appeal concerned itself solely with the question of whether or not the district court had pendent jurisdiction and merely assumed that removal of the Lanham Act cause was proper. It is obvious that neither the parties nor the court considered the question of whether or not the Lanham Act cause itself was properly removable.

In Catalina, Inc. v. Gem Swimwear, Inc., 162 F. Supp. 911 (S.D. N.Y. 1958) the district court considered a motion by plaintiff to remand an action removed from the state court. The

plaintiff had brought a complaint alleging six causes of action, one of which alleged a violation of §43(a) of the Lanham Act. The parties in the district court concerned themselves solely with whether or not the federal court had original jurisdiction of this section of the Lanham Act. The district court found that this section created a right cognizable in the federal courts, and denied the motion to remand. Again, neither the parties nor the court considered the question of whether or not a Lanham Act cause is removable, even assuming that the federal court has original jurisdiction over the cause.

G. Fair Labor Standards Act Cases Present Persuasive, Analogous Authority For the Proposition That Causes Based Upon the Lanham Act Are Not Properly Removable.

A long line of cases decided under the Fair Labor Standards Act of 1938 provides additional, persuasive support for Petitioner's position. They have held that actions commenced in state courts under this Act are now removable therefrom, in light of a specific grant of concurrent jurisdiction.

The leading case prior to the 1948 amendment to 28 U.S.C. §1441(a) is Johnson v. Butler Bros., 162 F.2d 87 (8th Cir. 1947).

There, the district court's order refusing to remand a case commenced under the Fair Labor Standards Act was reversed. While the circuit court purports to rely on the statutory phrase in §16(b) of the Act that an action thereunder " . . . may be maintained in any court of competent jurisdiction . . . " as showing an intent on the part of Congress to avoid removal, other language in the opinion makes it clear that the real basis of the opinion is that a specific grant by Congress of concurrent jurisdiction itself is sufficient to avoid removal. Thus the court declares:

> "We think that the rational construction of §16(b) is that contended for by the plaintiff and that it does no violence to the removal statute. If Congress intended, as we think it did, that cases such as this should not be subject to removal, they are excepted from the effect of the removal statute, which is neither impaired nor repealed with respect to cases which properly come within its purview.
>
> "There was nothing in the practical situation with which Congress was confronted when it enacted the statute in question which would negative an intent on its part to permit an employee to enforce his rights of action in his local state courts. There are many obvious practical considerations which can be urged in support of the probable existence of such a Congressional intent." (162 F. 2d at 89-90)

Likewise, in Carter v. Hill & Hill Truck Line, Inc., 259 F. Supp. 429 (S. D. Tex. 1966) where plaintiffs brought an action in the state court to recover damages under the Fair Labor Standards Act, and defendant removed the action to the Federal district court, that court granted plaintiff's motion to remand, holding that the better rule would prohibit removal since:

> "Removal adds expense and delay to a plaintiff's attempt to recover. It further congests the already crowded docket of federal district courts with controversies usually involving well under the $10,000 requirements for diversity jurisdiction . . . The State of Texas, in common with other states, maintains courts of competent jurisdiction well equipped to render justice. So long as the propriety of removal is questionable, no higher court has rendered decision, and no court or litigant has advanced a highly persuasive case that Congress intended these cases to be removable, this Court will not accept removal jurisdiction." (Emphasis added) (259 F. Supp. at 430)

Similarly, in Wilkins v. Renault Southwest, Inc., 227 F. Supp. 647 (N. D. Tex. 1964), the court holds that a Fair Labor Standards Act case commenced in a state court may not be removed to federal court.

Accord:

McGuire v. North American Aviation of Kansas, 69 F. Supp. 917 (W. D. Mo. 1946), where the court states:

> "As pointed out in the decision, supra, Congress under the Fair Labor Standards Act gave to the courts of the several states concurrent jurisdiction with federal courts to hear and determine actions arising by virtue of the provisions of said Act. Where an action has been instituted under said Act in the state court and the state court has assumed jurisdiction over said cause, the parties should not by agreement made in some other court be permitted to oust the state court of jurisdiction it has so rightfully assumed. Comity demands that the jurisdiction of the state courts within their sphere be regarded and respected by this court as sacredly as this court protects its own jurisdiction."

Kuligowski v. Hart, 43 F. Supp. 207 (N. D. Ohio 1941).

("To the extent that [Congress] has given the right to employees to maintain actions in other courts of competent jurisdiction [in addition to federal courts], it seems reasonable to conclude that it intended to give the

employee the choice of jurisdiction, not the employer. Motion to remand sustained.")

Phillips v. Pucci, 43 F. Supp. 253 (S. D. Mo. 1942)

("It was clearly the intent of the Congress to confer jurisdiction upon the state courts to adjudicate controversies arising on the rights created. Since the right or rights are clear, concise, unmistakable and unambiguous, no federal question obtrudes itself, and accordingly, the suit is not removable.")

Brantley v. Augusta Ice & Coal Co., 52 F. Supp. 158 (S. D. Ga. 1943);

Booth v. Montgomery Ward & Co., 44 F. Supp. 451 (D. Neb. 1942);

Young & Arbyrd Compress Co., 66 F. Supp. 241 (E. D. Mo. 1946);

Wingate v. General Auto Parts Co. 40 F. Supp. 364 (W. D. Mo. 1941);

Smith v. Day & Zimmerman, Inc., 65 F. Supp. 209 (S. D. Iowa 1946);

Apple v. Shulman Publications, Inc., 65 F. Supp. 677 (D. N. Y. 1913);

Sheridan v. Leitner,
59 F. Supp. 1011
(S.D. N.Y. 1944);

Fredman v. Foley Bros., Inc.,
50 F. Supp. 161 (W.D. Mo. 1943);

Garner v. Mengel Co.,
50 F. Supp. 794 (W.D. Ky. 1943);
and

House v. North American Aviation,
Inc. of Kansas,
68 F. Supp. 934 (W.D. Mo.).

Many of the above-cited cases apparently are bottomed on the concept that, since there is always concurrent jurisdiction in the state court over acts of Congress, unless expressly or impliedly removed thereby (see e.g., Claffin v. Houseman, 93 U.S. 130, 136 (1876) and Cox v. Superior Court, 52 Cal. 2d 855 (1959)), the express grant of jurisdiction to maintain Fair Labor Standards Act actions in a state court - in order not to be treated as mere redundancy - must be interpreted as an express limitation on removal.

See, e.g., Brantley v. Augusta Ice & Coal Co., supra, 52 F. Supp. at 160:

> "Unless suits begun in state courts may be retained there, unless they can be maintained or prosecuted to final judgment where they are instituted, the words of the Fair Labor Standards

Act declaring they may be maintained in any court of competent jurisdiction are emptied of all meaning, and they become mere surplusage or idle words. This is so because no legislation was needed to vest either federal or state courts with jurisdiction. They both had it under the general federal jurisdiction laws, or general rules of jurisprudence." (Emphasis added)

Brockway v. Long, supra, 55 F. Supp. at 80; and

Smith v. Day & Zimmerman, Inc., supra, 65 F. Supp. at 211.

While neither the Lanham Act nor 28 U.S.C. §1338(a) contains such a talismanic word as "maintain", it is submitted that precisely the same reasoning is applicable and that the Respondent Court erred in depriving Petitioner of its constitutional right to maintain its action in the state court from whence it has been removed.

H. The Claim of the Real Parties in Interest That the Federal Court is the Only One Which Can Grant Complete Relief is Incorrect.

The Real Parties in Interest based their argument below, in part that the federal court has exclusive jurisdiction to order the cancellation of a federally-registered trademark, on Title 15, U.S.C. §1119.

Section 1119 does not purport to grant such exclusive jurisdiction and, instead, merely states that "in any action involving a registered mark, the court may determine the right to registration, order the cancellation of registrations, in whole or in part . . . ."

Since the state courts have jurisdiction over causes involving registered marks, it is clear that the state courts must also have the power to order the cancellation of a federally-registered mark and can, therefore, give complete relief in this matter.

Title 28, U.S.C. §1338(a).

None of the cases cited by the Real Parties in Interest in support of their contention bear any relationship to the problem at hand, since all of these cases were before the federal court, and the power of the state court to cancel federally-registered marks was not at issue.

The claim of the Real Parties in Interest made below to the Respondent Court, that the case of Ultronic Systems Corp. v. Ultronex, supra, "held that the state court had no jurisdiction to order cancellation of United States trademark registrations," is totally erroneous. The argument that a state court would not have this power was made by plaintiff in its attempt to remand the case to the state courts, and the court did not hold, nor even discuss, the efficacy of this argument.

CONCLUSION

As demonstrated above, removal is not favored by either the state or federal courts or by Congress itself. The removal statutes have always been construed narrowly, doubtful cases uniformly being remanded. Congress has evidenced its concern in this sensitive area of federal-state relations by consistently enacting amendments to the removal statutes which have narrowed their scope, and by denying the right to seek review of a remand order (except in certain civil rights cases), while permitting review of an order denying remand by writ of appeal.

Removal of a Lanham Act cause of action is particularly inappropriate in that trademark infringement suits are but an adjunct of the broader law of unfair competition, an area long associated with state court enforcement. In

fact, the United States Supreme Court has clearly indicated that the United States Constitution forbids Congress from bestowing exclusive jurisdiction on the federal courts in trademark cases, even over those registered under federal statutes.

Moreover, as clearly appears from 28 U.S.C. §1338(a), state courts have concurrent jurisdiction to hear and determine Lanham Act actions. Since state courts hold concurrent jurisdiction over actions involving Acts of Congress, the implicit grant of concurrent jurisdiction in §1338(a) would be rendered meaningless unless this section be construed as prohibiting removal of a Lanham Act cause of action.

The reasoning of Judge Friedman in Ronson Art Metal Works v. Hilton Lite Corp., supra, supports this view, since the court clearly indicates that, were concurrent jurisdiction to exist under the Lanham Act, removal would be improper. Although the court there held that a Lanham Act case was removable, it is clear that the court was not apprised of 28 U.S.C. §1338(a), since the court erroneously found that there was no concurrent jurisdiction over Lanham Act cases.

Moreover, cases construing the Fair Labor Standards Act of 1938, provide strong, additional support for the proposition that Lanham Act cause of action is not removable. Under that Act there is no express provision prohibiting removal, yet many cases, both

before and after the 1948 amendment to 28 U.S.C. §1441(a), have held that causes of action brought under this Act were not removable, clearly on an analysis equally relevant to our case.

Therefore, the Respondent District Court and Respondent Hon. Jesse W. Curtis exceeded their jurisdiction in permitting Petitioner's cause herein to be entertained in the Respondent District Court, which resulted from the aforesaid denial of Petitioner's Motion to Remand and the Ninth Circuit Court of Appeals committed prejudicial error in denying Petitioner's Writs of Prohibition and Mandamus as aforesaid.

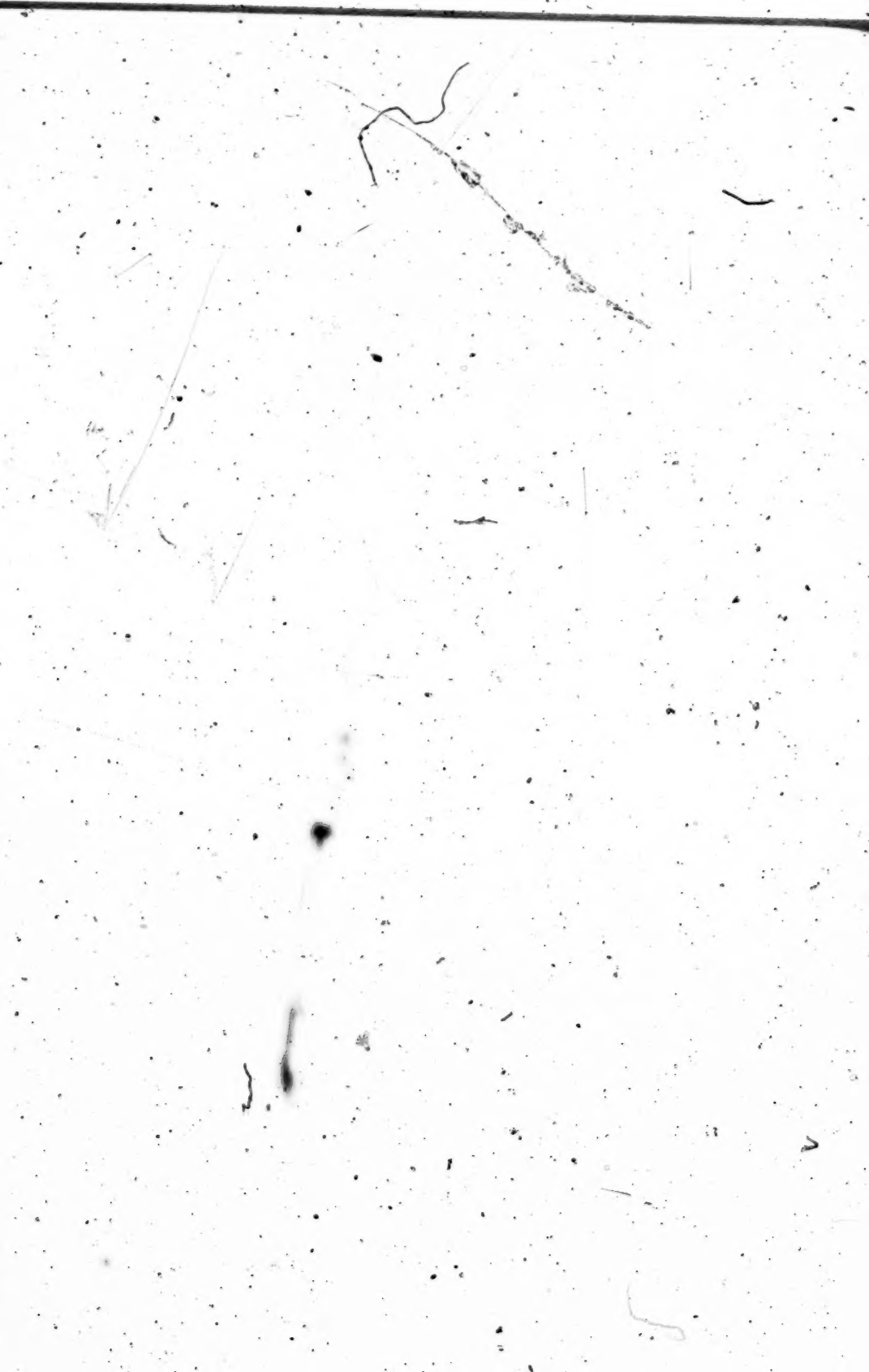
PRAYER

Wherefore, Petitioner prays that this Court issue its writ of certiorari ordering the appropriate Federal Court to remand this action to the aforesaid state court.

Respectfully submitted,

HARRY B. SWERDLOW

Attorney for Petitioner



APPENDIX "A"

IN THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

RODEO MUSIC CORP., a California corporation, doing business as BELAIR ENTERPRISES, Petitioner, v. UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, and the HON. JESSE W. CURTIS, UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA, Respondents, and TOYO RADIO COMPANY OF AMERICA, a corporation, TOYO RADIO CO., LTD., a corporation, and MITSUO FUKUYAMA, Real Party in Interest.	) Filed) Apr 14) 1970) Wm. B.) Luck,) Clerk) No.) 25,515

ORDER DENYING WRITS OF PROHIBITION AND MANDAMUS

Before WRIGHT and TRASK, Circuit Judges:

Petitioner has filed in this court its petition for a writ of mandamus to compel remand of the captioned cause to the state courts of California.

The action as brought in the state court included five causes of action. Four appear to be brought under California law. The fifth states a claim under the Lanham Act, 15 U.S.C. § 1051. Relying on 28 U.S.C. § 1441(c), which permits removal of the entire case when a removable claim is joined with other, non-removable claims, the respondent removed the case to the district court, and the latter denied a motion for remand.

Petitioner contends that removal was improper, and argues that 28 U.S.C. § 1338(a) constitutes an express congressional grant of concurrent jurisdiction to state courts over trademark matters, and hence an express exception to the removal statute, 28 U.S.C. § 1441. This contention is in error. The express grant in § 1338(a) is not of concurrent jurisdiction to state courts, but of original jurisdiction to federal courts. Ronson Art Metal Works v. Hilton Lite Corp., 111 F. Supp. 691 (N.D. Cal. 1953).

The petition is denied.

Edgar A. Wright

Odell M. Trask

Filed
Feb 13 1970
Clerk, U.S. District Court
Central District of
California
By N. E. Brockman, Deputy

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

RODEO MUSIC CORP., a California corporation, dba BELAIR ENTERPRISES,	)	No. 69-2562-JWC
Plaintiff-Respondent	)	
vs.	)	ORDER DENYING PLAINTIFF'S MOTION TO REMAND.
TOYO RADIO COMPANY OF AMERICA, a corporation; TOYO RADIO CO., LTD., a corporation and MITSUO FUKUYAMA,	)	
Defendants-Petitioners)	)	

The plaintiff moves to remand this action to the state court, where it was originally commenced and from which it has recently been removed upon defendant's petition. The complaint is essentially one for unfair competition and trademark infringement and seeks relief both under California laws and also under the

provisions of the Lanham Act 15 U. S. C. § 1051, et seq. The complaint also contains a claim for breach of contract and one for fraud. The defendants contend that since the complaint involves a question under the Lanham Act, one over which this court has original jurisdiction, its removal here was proper under 28 U. S. C. § 1441 and that it should not be remanded. With this we agree. This removal section provides:

> "(a) Except as otherwise expressly provided by Act of Congress, any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant . . . .
>
> "(c) Whenever a separate and independent claim or cause of action, which would be removable if sued upon alone, is joined with one or more otherwise non-removable claims or causes of action, the entire case may be removed and the district court may determine all issues therein, or, in its discretion, may remand all matters not otherwise within its original jurisdiction."

It is clear that this action, containing as it does a cause of action under the provisions of the Lanham Act, is one over which the federal court has original jurisdiction. There is no contention to the contrary. Plaintiff

contends, however, that in case of unfair competition for trademark infringement both the state and federal courts have concurrent jurisdiction and that where this is true, a plaintiff should be permitted to choose the forum. Having chosen the state court in this case, the plaintiff maintains its removal is improper. There is no authority, however, to support this contention. Plaintiff first cites Couch v. White Motor Co., 290 F. Supp. 697 at 699 (W.D. Mo. 1968). This, however, was a question of diversity where it was contended that removal was improper because the joinder of a resident defendant was done fraudulently for the purpose of defeating federal jurisdiction. Where there was some doubt as to the sufficiency of the petition for removal, the court held that unless it was clear from the petition for removal that the federal court had jurisdiction, the case should not be taken from the state court, and ultimately held that the petition for removal was defective.

Plaintiff also relies on Wilkins v. Renault Southwest, Inc., 227 F. Supp. 647 (N.D. Texas 1964). This was an action under the Fair Labor Standards Act where the plaintiff sought to recover overtime and liquidated damages. Construing the provisions of the Act providing that such an action could be brought in any court of competent jurisdiction, the court held that both state and federal courts had concurrent jurisdiction and that an action once commenced in state court could not, over plaintiff's objection, be removed. But the rule in the cases involving violations of the Fair Labor

Standards Act is based upon an interpretation of the unique features of that Act, which are not applicable to the provisions of the Lanham Act.

The court in the Wilkins case quoted from the Senate report, as follows:

> " 'Congress itself has recognized the inadvisability of permitting removal of cases arising under its own laws which are similar to the workmen's compensation acts of the States. In the Jones Act, the Fair Labor Standards Act, and the Railway Employers' Liability Act, all of which are in the nature of workmen's compensation cases, the Congress has given the workman the option of filing his case in either the State court or the Federal court. If filed in the State courts the law prohibits removal to the Federal court. This proposed legislation accomplishes this same purpose and grants the same privilege to workmen who are entitled to compensation under the State workmen's compensation act - that is, the workman has the option to file his case in either the Federal or the State court. If he files in the State court it is not removable to the Federal Court.' "

It seems clear that the removal of an unfair competition action involving a federal question under the Lanham Act is proper.

The motion to remand is, therefore, denied.

DATED: February 13, 1970.

Jesse W. Curtis
JESSE W. CURTIS
United States District Judge

APPENDIX "B"

15 U. S. C. § 1065. Incontestability of right to use mark under certain conditions

Except on a ground for which application to cancel may be filed at any time under subsections (c) and (e) of section 1064 of this title, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this chapter of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: Provided, That -

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce; and the other matters specified in subsections (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance, patented or otherwise.

Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this chapter shall apply to a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, upon the filing of the required affidavit with the Commissioner within one year after the expiration of any period of five consecutive years after the date of publication of a mark under the provisions of subsection (c) of section 1062 of this title.

The Commissioner shall notify any registrant who files the above-prescribed affidavit of the filing thereof.

July 5, 1946, c. 540, Title I, § 15, 60 Stat. 433; Oct. 9, 1962, Pub. L. 87-772, § 10, 76 Stat. 771.

15 U.S.C. § 1114. Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant -

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake or to deceive.

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) of this section, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

(2) Notwithstanding any other provision of this chapter, the remedies given to the owner of the right infringed shall be limited as follows: (a) Where an infringer is engaged solely in the business of printing the mark for others and establishes that he was an innocent infringer the owner of the right infringed shall be entitled as against such infringer only to an injunction against future printing; (b) where the infringement complained of is contained in or is part of said advertising matter in a newspaper, magazine, or other similar periodical the remedies of the owner of the right infringed as against the publisher or distributor of such newspaper, magazine, or other similar periodical shall be confined to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodical: Provided, That these limitations shall apply only to innocent infringers; (c) injunction relief shall not be available to the owner of the right infringed in respect of an issue of a newspaper, magazine, or other similar periodical containing infringing matter when restraining the dissemination of such infringing matter in any particular issue of such periodical would delay the delivery of such issue after the regular time therefor, and such delay would be due to the method by which publication and distribution of such periodical is customarily conducted in accordance with sound business practice, and not to any method or device adopted for the evasion of this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter. July 5,

1946, c. 540, Title VI, § 32, 60 Stat. 437; Oct. 9, 1962, Publ. L. 87-772, § 17, 76 Stat. 773:

15 U.S.C. § 1115. Same; registration on principal register as evidence of exclusive right to use mark; defenses

(a) Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

(b) If the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 1065 subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this chapter or publication of the registered mark under subsection (c) of section 1062 of this title: Provided, however, That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: Provided, however, That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the anti-trust laws of the United States. July 5, 1946, c. 540, Title VI, § 33, 60 Stat. 438; Oct. 9, 1962, Pub. L. 87-772, § 18, 76 Stat. 774.

15 U.S.C. § 1116. Same; injunctions; enforcement; notice to Commissioner

The several courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in

detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.

The said courts shall have jurisdiction to enforce said injunction, as provided in this chapter, as fully as if the injunction had been granted by the district court in which it is sought to be enforced. The clerk of the court or judge granting the injunction shall, when required to do so by the court before which application to enforce said injunction is made, transfer without delay to said court a certified copy of all papers on file in his office upon which said injunction was granted.

It shall be the duty of the clerks of such courts within one month after the filing of any action, suit, or proceeding arising under the provisions of this chapter to give notice thereof in writing to the Commissioner setting forth in order so far as known the names and addresses of the litigants and the designating number or numbers of the registration or registrations upon which the action, suit, or proceeding has been brought, and in the event any other

registration be subsequently included in the action, suit, or proceeding by amendment, answer, or other pleading, the clerk shall give like notice thereof to the Commissioner, and within one month after the decision is rendered, appeal taken or a decree issued the clerk of the court shall give notice thereof to the Commissioner, and it shall be the duty of the Commissioner on receipt of such notice forthwith to endorse the same upon the file wrapper of the said registration or registrations and to incorporate the same as a part of the contents of said file wrapper. July 5, 1946, c. 540, Title VI, § 34, 60 Stat. 439.

15 U.S.C. § 1117. Same; recovery for violation of rights; profits, damages and costs

When a violation of any right of the registrant of a mark registered in the Patent Office shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing

damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty. July 5, 1946, c. 540, Title VI, § 35, 60 Stat. 439; Oct. 9, 1962, Pub. L. 87-772, § 19, 76 Stat. 774.

15 U.S.C. § 1119. Same; power of court over registration

In any action involving a registered mark the court may determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action. Decrees and orders shall be certified by the court to the Commissioner, who shall make appropriate entry upon the records of the Patent Office, and shall be controlled thereby. July 5, 1946, c. 540, Title VI, § 37, 60 Stat. 440.

15 U.S.C. § 1121. Same; jurisdiction of Federal courts

The district and territorial courts of the United States shall have original jurisdiction and the courts of appeal of the United States shall have appellate jurisdiction, of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties. July 25, 1948, c. 646, §§ 1, 32(a), 62 Stat. 870, 991; May 24, 1949, c. 139, § 127, 63 Stat. 107.

15 U.S.C. § 1125. False designations of origin and false descriptions forbidden

(a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is

situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

28 U.S.C. § 1332. Diversity of citizenship; amount in controversy; costs

(a) The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and is between -

(1) citizens of different States;

(2) citizens of a State, and foreign states or citizens or subjects thereof; and

(3) citizens of different States and in which foreign states or citizens or subjects thereof are additional parties.

(b) Except when express provision thereof is otherwise made in a statute of the United States, where the plaintiff who files the case originally in the Federal courts is finally adjudged to be entitled to recover less than the sum or value of $10,000, computed without regard to any setoff or counterclaim to which the defendant may be adjudged to be entitled, and exclusive of interest and costs, the district court may deny costs to the plaintiff and, in

addition may impose costs on the plaintiff.

(c) For the purposes of this section and section 1441 of this title, a corporation shall be deemed a citizen of any State by which it has been incorporated and of the State where it has its principal place of business: Provided further, That in any direct action against the insurer of a policy or contract of liability insurance, whether incorporated or unincorporated, to which action the insured is not joined as a party-defendant, such insurer shall be deemed a citizen of the State of which the insured is a citizen, as well as of any State by which the insurer has been incorporated and of the State where it has its principal place of business.

(d) The word "States", as used in this section, includes the Territories, the District of Columbia, and the Commonwealth of Puerto Rico, June 25, 1948, c. 646, 62 Stat. 930; July 26, 1956, c. 740, 70 Stat. 658; July 25, 1958, Pub. L. 85-554, § 2, 72 Stat. 415; Aug. 14, 1964, Pub. L. 88-439, § 1, 78 Stat. 445.

28 U.S.C. § 1338. Patents, copyrights, trademarks, and unfair competition

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be

exclusive of the courts of the states in patent and copyright cases.

28 U.S.C. § 1441. Actions removable generally

(a) Except as otherwise expressly provided by Act of Congress, any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant or the defendants, to the district court of the United States for the district and division embracing the place where such action is pending.

(b) Any civil action of which the district courts have original jurisdiction founded on a claim or right arising under the Constitution, treaties or laws of the United States shall be removable without regard to the citizenship or residence of the parties. Any other such action shall be removable only if none of the parties in interest properly joined and served as defendants is a citizen of the State in which such action is brought.

(c) Whenever a separate and independent claim or cause of action, which would be removable if sued upon alone, is joined with one or more otherwise non-removable claims or causes of action, the entire case may be removed and the district court may determine all issues therein, or, in its discretion, may remand all matters not otherwise within its

original jurisdiction. June 25, 1948, c. 646, 62 Stat. 937.

28 U.S.C. § 1447. Procedure after removal generally

* * * * * * * *

(d) An order remanding a case to the State court from which it was removed is not reviewable on appeal or otherwise, except that an order remanding a case to the State court from which it was removed pursuant to section 1443 of this title shall be reviewable by appeal or otherwise. As amended July 2, 1964, Pub. L. 88-352, Title IX, § 901, 78 Stat. 266.

28 U.S.C. § 1651. Writs

(a) The Supreme Court and all courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law.

(b) An alternative writ or rule nisi may be issued by a justice or judge of a court which has jurisdiction. June 25, 1948, c. 646, 62 Stat. 944; May 24, 1949, c. 139, § 90, 63 Stat. 102.

29 U.S.C. § 216. Penalties; civil and criminal liability; injunction proceedings terminating right of action; waiver of claims; actions by Secretary of Labor; limitation of actions; savings provision

* * * * * * * *

(b) Any employer who violates the provisions of section 206 or section 207 of this title shall be liable to the employee or employees affected in the amount of their unpaid minimum wages, or their unpaid overtime compensation, as the case may be, and in an additional equal amount as liquidated damages. Action to recover such liability may be maintained in any court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves and other employees similarly situated. No employee shall be a party plaintiff to any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought. The court in such action shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action. The right provided by this subsection to bring an action by or on behalf of any employee, and the right of any employee to become a party plaintiff to any such action, shall terminate upon the filing of a complaint by the Secretary of Labor in an action under section 217 of this title in which restraint is

sought of any further delay in the payment of unpaid minimum wages, or the amount of unpaid overtime compensation, as the case may be, owing to such employee under section 206 or section 207 of this title by an employer liable therefor under the provisions of this subsection.

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IN THE

Supreme Court of the United States

October Term, 1970
No. 371

RODEO MUSIC CORP., dba BELAIR ENTERPRISES,
Petitioner,

vs.

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA,
Respondents,

and

TOYO RADIO COMPANY OF AMERICA, a corporation, TOYO RADIO CO., LTD., a corporation, and MITSUO FUKUYAMA,
Real Parties In Interest.

Brief in Opposition to Petition For Writ of Certiorari.

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and

TOYO RADIO COMPANY OF AMERICA, a corporation, TOYO RADIO CO., LTD., a corporation, and MITSUO FUKUYAMA,
Real Parties In Interest.

Brief in Opposition to Petition For Writ of Certiorari.

Respondents-Real Parties in Interest, Toyo Radio Company of America, a corporation, Toyo Radio Co., Ltd., a corporation, and Mitsuo Fukuyama, accept Petitioner's Statement of Jurisdiction and Statement of the Case.

Petitioner's statement of the Question Presented is inaccurate and misleading in that it erroneously assumes there is an express Congressional grant of concurrent jurisdiction to state courts to hear and decide trademark causes of action and a Constitutional requirement of concurrent jurisdiction in cases involving trademarks. Neither assumption is correct.

The question presented for decision is simply whether removal of a trademark case is proper under 28 U.S.C. § 1441. If so, the District Court for the Central District of California was correct in denying Petitioner's motion to remand the proceeding to the state court, and the Ninth Circuit Court of Appeals was correct in denying Petitioner's request for the issuance of writs of prohibition and mandamus.

Citations to the statutes involved are set forth below. The full texts of the statutes are set forth in the Appendix.[1]

15 U.S.C. § 1121
15 U.S.C. § 1127
28 U.S.C. § 1331
28 U.S.C. § 1338
28 U.S.C. § 1441

Summary of Argument.

A. *None of the Considerations Set Forth in Supreme Court Rule 19 Governing Review on Certiorari Are Present Here.*

The decision of the Ninth Circuit Court of Appeals is not in conflict with any relevant decision of the other Circuit Courts.

Although undecided by this Court, each case that has considered the issue of removal of trademark cases has held that removal is proper.

---

[1]The opinions of the Ninth Circuit Court of Appeals and the District Court are also set forth in full in the Appendix.

B. *Removal of a State Court Action is Permitted When the Federal Courts Have Original Jurisdiction of the Action and There is No Express Statutory Provision Prohibiting Removal.*

28 U.S.C. § 1441 provides that unless there is an Act of Congress to the contrary, any action of which the federal courts have original jurisdiction is removable from the state courts.

Original jurisdiction over Petitioner's action is expressly conferred on the District Court by the following statutes: 15 U.S.C. § 1221, 15 U.S.C. § 1127, 28 U.S.C. § 1331 and 28 U.S.C. § 1338.

There is no express provision in any Act of Congress which prohibits removal in trademark cases. Therefore, removal is proper under 28 U.S.C. § 1441.

C. *Each Case that Has Considered the Issue of Removal of Trademark Cases Has Held that Removal is Proper.*

See *Ronson Art Metal Works v. Hilton Lite Corp.* (N.D. Cal. 1953), 111 F. Supp. 691, holding that removal of Lanham Act cases is proper. See also, *Hazel Bishop, Inc. v. Perfemme, Inc.* (2nd Cir. 1963), 314 F. 2d 399, *Catalina, Inc. v. Gem Swimwear, Inc.* (S.D. N.Y. 1958), 162 F. Supp. 911, *Daland v. Hewitt Soap Co.* (S.D.N.Y. 1939), 27 F. Supp. 482, *Massa v. Jiffy Products Co.* (9th Cir. 1957), 240 F. 2d 702, *cert. den.* 353 U.S. 947, 1 L. Ed. 2d 856, 77 S. Ct. 825 (1957), and *Ultronic Systems Corp. v. Ultronix, Inc.* (D.C. Del. 1963), 217 F. Supp. 89.

Furthermore, each of these cases which considered the propriety of remand has held that remand is improper.

D. *Petitioner's Conclusion That an Action Under the Lanham Act is Not Removable is Without Merit and the Authorities Relied On Are Inapposite and Not Controlling.*

Although the removal statute is strictly construed, repeal by implication of a right of removal is not favored.

Cases decided under the Fair Labor Standards Act are inapposite and not controlling. Furthermore, the majority of such cases have held that removal is proper.

Petitioner's argument that there can be no removal if jurisdiction is concurrent, carried to its logical conclusion, leads to the absurd result that there is no instance in which removal is proper.

28 U.S.C. § 1338(a) is not an express grant of current jurisdiction to state courts but of original jurisdiction to federal courts, nor is it an express limitation on the right of removal under 28 U.S.C. § 1441.

REASONS FOR DENYING THE WRIT.

A. None of the Considerations Set Forth in Supreme Court Rule 19 Governing Review on Certiorari Are Present Here.

The decision of the Ninth Circuit Court of Appeals, refusing to order the District Court to remand the proceedings to the state court, is not in conflict with any relevant decision of the other Circuit Courts. Each case to consider the issue of removal of trademark cases has held that removal is proper. Cases decided under the Fair Labor Standards Act, upon which Petitioner relies, are inapposite and not controlling. The statutory language and other considerations governing removal of Fair Labor Standards Act cases do not apply to cases arising under the Lanham Act. Furthermore, the more persuasive cases, and the majority of the cases to have considered removal under the Fair Labor Standards Act have held that removal is proper.

Although the question of the removability of cases brought under the Lanham Act has not been decided by this Court, each case that has considered the issue of removal of trademark cases has held that removal is proper.

Thus, none of the considerations governing review on certiorari set forth in Supreme Court Rule 19 are present here and the Petition should, therefore, be denied.

B. Removal of a State Court Action Is Permitted When the Federal Courts Have Original Jurisdiction of the Action and There Is No Express Statutory Provision Prohibiting Removal.

1. Statutory Authority.

Unless there is an Act of Congress to the contrary, any action of which the federal courts have original jurisdiction is removable from the state courts. The statutory authority for removal is contained in 28 U.S.C. § 1441, which provides in part:

> "§ 1441. *Actions removable generally*
>
> "(a) Except as otherwise expressly provided by Act of Congress, any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant or the defendants, to the district court of the United States for the district and division embracing the place where such action is pending."
>
> 28 U.S.C. § 1441.

Thus, there are only two issues to be considered. First, whether the District Court has original jurisdiction of the action brought by Petitioner and, second, whether there is any express provision in an Act of Congress which would prohibit removal.

2. The District Court Has Original Jurisdiction Over the Action Filed by Petitioner.

Several statutes expressly confer on the District Court original jurisdiction over Petitioner's action. In addition, the courts have taken an expansive view of the extent of such jurisdiction.

Section 39 of the Lanham Act (15 U.S.C. § 1121) expressly confers original jurisdiction on the federal courts in all actions arising under the Lanham Act. That section provides:

> "The district and territorial courts of the United States shall have original jurisdiction and the courts of appeal of the United States shall have appellate jurisdiction, of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties."
>
> 15 U.S.C. § 1121.

The intent of Congress in granting original jurisdiction to actions arising under the Lanham Act is explained in Section 45 of the Act (15 U.S.C. § 1127) which states in part:

> "The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; . . ."
>
> 15 U.S.C. § 1127.

In addition to and wholly separate from the basis of federal jurisdiction established in 15 U.S.C. § 1121, the District Court had original jurisdiction of Petitioner's action under the following statutes: 28 U.S.C.

§ 1331, which provides in part:

> "(a) The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and arises under the Constitution, laws, or treaties of the United States."
>
> 28 U.S.C. § 1331.

and 28 U.S.C. § 1338, which provides:

> "(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.
>
> "(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trade-mark laws."
>
> 28 U.S.C. § 1338.

Relevant decisional law demonstrates that the federal courts have given a liberal construction to these statutes, both with respect to willingness of the federal courts to hear trademark actions and the extent to which the federal courts will retain jurisdiction over the entire action presented to them. Thus, in *Ramirez & Feraud Chili Co. v. Las Palmas Food Company* (S.D. Cal. 1956), 146 F. Supp. 594; aff'd 245 F. 2d 874 (9th Cir. 1957), *cert. den*, 355 U.S. 927, 2 L. Ed. 2d

357, 78 S. Ct. 384 (1958), the extent of jurisdiction conferred by 15 U.S.C. § 1221 was stated as follows:

> "If plaintiff asserts an actionable claim under the Lanham Act for infringement or unfair competition in the use of a trade-mark or trade name, jurisdiction is expressly conferred upon this court .... 15 U.S.C.A. 1121.
>
> * * * *
>
> "It was the Congressional will to occupy the field with respect to claims arising from infringement of and unfair competition in the use of registered trade-marks and other marks defined in the Act, as well as trade names and commercial names, 15 U.S.C.A. §§ 1126 (g, i), 1127, to the extent of Federal power under the Commerce Clause, U.S. Const. art. I, § 8, cl. 3, ..."
>
> *Ramirez & Feraud Chili Co. v. Las Palmas Food Company,* 146 F. Supp. 594, 597, 600.

Accordingly, jurisdiction most definitely has been granted to the District Court over this action under the provisions of the Lanham Act. See, *Steele v. Bulova Watch Co.* (1952), 344 U.S. 280, 97 L. Ed. 319, 73 S. Ct. 252.

It is thus evident that the District Court has jurisdiction in this case under several statutes and the relevant decisional law. Furthermore, there is no express provision in any Act of Congress which prohibits removal is trademark cases. Since there is original jurisdiction in the District Court and no express statutory prohibition, removal in trademark cases is proper under 28 U.S.C. § 1441.

C. Each Case That Has Considered the Issue of Removal of Trademark Cases Has Held That Removal Is Proper.

In view of the explicit statutory provisions granting the district courts original jurisdiction in trademark actions, it is not surprising that each of the cases in which the issue has been considered has held that trademark actions are properly removable.

A case directly in point and cited as controlling by the District Court in the Order Denying Plaintiff's Motion to Remand of February 13, 1970, and by the Ninth Circuit Court of Appeals in the Order Denying Writs of Prohibition and Mandamus of April 14, 1970, is *Ronson Art Metal Works v. Hilton Lite Corp.* (N.D. Cal. 1953), 111 F. Supp. 691. In that case, plaintiff filed a complaint in the Superior Court of the State of California. Defendants filed a petition for removal to the district court and plaintiff responded with a motion to remand to the state court. In considering the latter motion, the court framed one of the issues before it as follows:

> "There are certain cases which may be filed in the state court without removal to the federal court even when a federal question is involved. The second question is this: Does this case come under that category? If the answer is in the affirmative, then the motion to remand should be granted; if in the negative, then we have a third matter to consider."
>
> *Ronson Art Metal Works v. Hilton Lite Corp.*, 111 F. Supp. 691, 692.

In denying the motion to remand and in expressly holding that removal of an unfair competition action involving a federal question under the Lanham Act is proper, the court stated:

> "We come then to the second question. Plaintiff urges that even though a federal question may be involved, there are certain cases which, when originally filed in the state court, cannot be removed to the federal court; that plaintiff has intended to bring this action under the laws of the State of California concerning unfair competition. There are certain cases which involve a federal question, but which, if originally filed in the state court, cannot be removed to the federal court. For example, the Federal Employers' Liability Act gives concurrent jurisdiction to the courts of the United States and the state courts. 45 U.S.C.A. § 56. Another example is the Federal Natural Gas Act of 1938, as amended, 15 U.S.C.A. § 717f(h), where the Act itself provides that the action may be brought in the District Court of the United States or in the state courts. The Lanham Act makes no such provision.
>
> * * * *
>
> I find that this is not one of the exceptions to the general rule concerning cases where federal questions are involved."
>
> *Ronson Art Metal Works v. Hilton Lite Corp.*, 111 F. Supp. 691, 693.

Ronson is thus directly in point and dispositive of the question presented by the Petition.

In *Hazel Bishop, Inc. v. Perfemme, Inc.* (2nd Cir. 1963), 314 F. 2d 399, plaintiff alleged a cause of action

for trademark infringement, and in addition, for breach of contract and unfair competition. On appeal, it was argued that the district court had no jurisdiction over the case, and thus, the action had been improperly removed. The argument was perhaps more forceful there since plaintiff had abandoned its trademark claim after the case had been removed. Nonetheless, the federal court had retained jurisdiction. The appellate court stated:

> "We are met at the outset with the defendants' suggestion, made for the first time on this appeal, that the district court lacked jurisdiction over this case. The complaint was originally filed in 1957 in the Supreme Court of New York State for New York County. It was removed to the district court by a petition for removal filed on June 4, 1957. Under 28 U.S.C. § 1441(b), a civil action brought in a state court may be removed to a federal district court 'without regard to the citizenship or residence of the parties' if the action is one 'of which the district courts have original jurisdiction founded on a claim or right arising under the Constitution, treaties or laws of the United States. * * *'
>
> "The plaintiff's complaint clearly alleges a cause of action for trademark infringement; language in the complaint, quoted above, is a near paraphrase of portions of 15 U.S.C. § 1114, which creates a civil remedy for infringement of a federally registered trademark. That being so, any substantial, related claim of unfair competition was within the original jurisdiction of the district court under 28 U.S.C. § 1338(b), which confers on district courts 'original jurisdiction of any

> civil action asserting a claim of unfair competition when joned with a substantial and related claim under the * * * trademark laws.' Under the doctrine of pendent jurisdiction, the district court's jurisdiction extended also to the claim that Miss Bishop had broken her contract by attempting to capitalize on the goodwill attached to her name."
>
> *Hazel Bishop, Inc. v. Perfemme, Inc.*, 314 F. 2d 399, 402-403.

Petitioner's argument that "It is obvious that neither the parties nor the court considered the question of whether or not the Lanham Act cause itself was properly removable" (Petition, p. 26) is without merit since the court, in order to reach the question of whether pendent jurisdiction was proper, must have considered and decided in the affirmative the question of whether the Lanham Act action was properly removable.

Also directly in point is the case of *Catalina, Inc. v. Gem Swimwear, Inc.* (S.D.N.Y. 1958), 162 F. Supp. 911. There the court considered the exact question presented here on a motion by plaintiff to remand the case. In deciding against remand, the court stated:

> "But one of the six causes of action does allege a violation of § 43(a) of the Lanham Act. The defendant argues that this section creates a federal right of action within the original jurisdiction of the federal courts. Indeed the plaintiff asserts that it believes, in good faith, that it should be accorded relief under the Lanham Act, but that the Court of Appeals for this Circuit has not yet ruled on the issue. The Court of Appeals for the Third Circuit has held, in L'Aiglon Apparel v. Lana Lobell, Inc., 214 F.2d 649, 651, that Section 43(a) of the

Lanham Act is a provision which 'with clarity and precision adequate for judicial administration, creates and defines rights and duties and provides for their vindication in the federal courts.' Section 39, 15 U.S.C. § 1121, 15 U.S.C.A. § 1121, makes it unnecessary to show diversity of citizenship or any jurisdictional amount. It is true that the Court of Appeals for the Second Circuit has not yet passed on the issue, but Chief Judge Clark, concurring in Maternally Yours, Inc. v. Your Maternity Shop, 2 Cir., 234 F.2d 538, 546, cited the L'Aiglon case with approval and referred to 'the clear federal jursdiction arising under the new and quite extensive provision covering the false description or representation of goods introduced into commerce. Lanham Act, § 43(a), 15 U.S.C. § 1125(a).' I would take no exception to this view in the absence of a controlling precedent to the contrary.

"I hold, accordingly, that this court has jurisdiction of the cause of action under the Lanham Act, which is a substantial federal claim related to the remaining causes of action framed in terms of common law unfair competition, over which this court has pendent jurisdiction. The motion to remand is denied."

Catalina, Inc. v. Gem Swimwear, Inc., 162 F. Supp. 911, 912.

In holding that it had jurisdiction over the cause of action under the Lanham Act and pendent jurisdiction over the remaining causes of action for unfair competition and in denying the motion to remand, the

court necessarily held that causes of action under the Lanham Act are properly removable.

The propriety of removal of a trademark action was also considered in the early case of *Daland v. Hewitt Soap Co.* (S.D.N.Y. 1939), 27 F. Supp. 482. In that case, an action for, among other things, trademark infringement was commenced in the state court. Defendant removed the action to the district court urging two grounds for removal: (1) diversity of citizenship; and (2) the nature of the action, one founded on the federal trademark laws. Plaintiff moved to remand the action to the state court. In denying plaintiff's motion to remand and in holding the action removable on both grounds, the court stated with respect to removal founded on the trademark laws:

> "The case was properly removed on the further ground that it was a suit for infringement of a trademark registered under the United States Trademark Act, and this irrespective of the amount involved. By section 17 of the Act (15 U.S.C.A. § 97), the district court is given original jurisdiction 'of all suits at law or in equity respecting trade-marks registered in accordance with the provisions of this subdivision of this chapter, arising thereunder, without regard to the amount in controversy.' Section 24(7) of the Judicial Code, 28 U.S.C.A. § 41(7), is to like effect. The suit being one that might have been brought originally in the district court, it may be removed to the district court when brought in the state courts. Madisonville Traction Co. v. St. Bernard Min. Co., 196 U.S. 239, 25 S. Ct. 251, 49 L.Ed. 462. The plaintiff makes the point that the petition for re-

> moval did not mention this ground. The ground appeared on the face of the complaint, and it was specified in the affidavit filed with the petition. The affidavit is to be taken as part of the petition. This was a sufficient development of the point that the suit was one for infringement of trademark registered under the federal statute and was therefore removable. See Yulee v. Vose, 99 U.S. 539, 545, 25 L.Ed. 355; Powers v. Chesapeake & Ohio R. Co., 169 U.S. 92, 101, 18 S. Ct. 264, 42 L.Ed. 673."
>
> *Daland v. Hewitt Soap Co.*, 27 F. Supp. 482, 483-484.

Thus, contrary to Petitioner's assertion (Petition, p. 26), the issue of the removability of a trademark action was argued by the parties and considered by the court. The court's conclusion that a suit for infringement of a trademark registered under the federal statutes is removable is not, as Petitioner asserts, dictum, but was an express holding by the court.

See also *Massa v. Jiffy Products Co.* (9th Cir. 1957), 240 F. 2d 702, *cert. den.* 353 U.S. 947, 1 L. Ed. 2d 856, 77 S. Ct. 825 (1957), an action which in many ways parallels the case at bar. There suit was instituted for unfair competition and for infringement of a registered trademark. The case was removed to the federal district court from the California state court, and defendant counterclaimed for an order of rectification of the registration in favor of defendant. The court retained jurisdiction, determined the right to registration and entered an order directing the Commissioner of Patents to rectify the records of the United States Patent Office.

See also *Ultronic Systems Corp. v. Ultronix, Inc.* (D.C. Del. 1963), 217 F. Supp. 89, where the court accepted removal of a trademark action.

Thus, each of the cases in which the issue was considered has held that trademark actions are removable. In addition, each of the cases which has considered the question of the propriety of an order remanding such an action to the state court has held that remand is improper. Counsel's research has disclosed not a single case denying the right of removal in an action brought under the Lanham Act. Nor has Petitioner cited such a case in its Petition. Instead, Petitioner has been forced to rely on a tortuous reading of Judge Friedman's opinion in *Ronson Art Metal Works v. Hilton Lite Corp., supra,* in an attempt to justify its position. However, all of the relevant authorities are diametrically opposed to Petitioner's position and support the principle that removal of an action brought under the Lanham Act is proper.

See also 2 Cyclopedia of Federal Procedure, where it is stated:

> "Similarly, a case is properly removable on the ground that it is an action for infringement of a trademark registered under the United States Trademark Act, and this irrespective of the amount involved."
>
> 2 Cyclopedia of Federal Procedure, p. 235.

In the face of this virtual unanimity of authority, Petitioner is able to cite not a single case or authority in support of its position.

D. Petitioner's Conclusion That an Action Under the Lanham Act Is Not Removable Is Without Merit and the Authorities Relied on Are Inapposite and Not Controlling.

The argument presented by Petitioner in support of its novel conclusion that actions under the Lanham Act are not removable is nothing more than a rehash of the argument presented to the District Court on Petitioner's motion to remand and to the Ninth Circuit on the petition for writs of prohibition and mandamus. Short shrift was given to the argument by both the District Court and the Ninth Circuit. Both cited the very case relied on by Petitioner in denying the motion and petition and ruling that such cases are properly removable.

Petitioner begins its argument by referring to the fact that removal statutes have been construed strictly, and quoting several authorities to that effect. Had Petitioner but read a bit further from the portion it quoted in Moore's Federal Practice (three pages further to be exact), a somewhat more accurate presentation of the rules to be applied where a removal is questioned would have been obtained. Moore, after indicating that the principle of strict construction had been generally followed, hastens to point out that:

> "The removal statute should, therefore, be fairly applied. *Repeal by implication of a right of removal is not favored.* * * * And a right of removal should not be denied to a defendant because of a super-abundance of caution on the part of the district judge. * * *" (Emphasis added). 1A Moore's Federal Practice ¶ 0.157.

It is doubtful whether there are many clearer cases allowing removal than the instant case, and similarly, whether there are many more blatant examples of an attempt to repeal by implication the right of removal.

Petitioner then goes on to make an exceedingly novel argument. First, it spends several pages, quite unnecessarily, establishing that state courts have concurrent jurisdiction over Lanham Act actions.[2] Second, Petitioner argues that since jurisdiction is concurrent, no removal is allowed. Next, Petitioner, by the most tortuous reasoning, attempts to distinguish *Ronson Art Metal Works v. Hilton Lite Corp., supra*, and the other cases holding that removal of a Lanham Act action is proper and that remand of such an action is improper. As demonstrated above, the cases without exception support the position of Respondents-Real Parties In Interest and are diametrically opposed to the position urged by Petitioner.

Petitioner next states that a "long line of cases" decided under the Fair Labor Standards Act provides additional (additional to what is not readily apparent) support for its position.

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[2]In support of its argument that jurisdiction of Lanham Act cases is concurrent, Petitioner cites (Petition, p. 23) the case of *United States v. Steffens* (1879), 100 U.S. 82, as holding that the Trademark Act of 1870 was unconstitutional since it attempted to confer exclusive jurisdiction on the federal courts in trademark cases. Actually, the Court held that since there was no express constitutional provision authorizing Congress to legislate regarding trademarks (as there is in the case of patents and copyright) the only constitutional provision under which Congress could derive authority to regulate trademarks was the Commerce Clause. Since the act in question purported to regulate all trademarks, whether involved in interstate commerce or not, the Court held it unconstitutional as beyond the power of Congress. The case clearly does not stand for the proposition that concurrent jurisdiction in trademark cases is constitutionally mandated. In any event the case has no relevance to a removal question.

Turning first to the Petitioner's reliance on the Fair Labor Standards Act, and cases thereunder, it is most interesting to note that all but two of Petitioner's cases are prior to the Code of 1948. Regarding the law in the area, Moore states:

> "Prior to the Code of 1948 there were conflicting decisions as to whether removal of a state action was prevented by the provision of the Act that the employee's suit 'may be maintained in any court of competent jurisdiction.' This ambiguous phrase is certainly not an express provision against removal within the meaning of § 1441 of the Code of 1948, and the conflict has apparently been settled in favor of removal."
>
> 1A Moore's Fed. Pract. ¶ 0.167[5].

Reading the Petition one would have no inkling that the majority of the cases were contrary to the "long line" relied upon by Petitioner.[3]

Even if the cases relied upon by Petitioner were still the law, however, the result in this case would not be altered in any way. The Fair Labor Standards Act does specifically provide that an action brought under it may be "maintained" in any court of competent jurisdiction. It the word "maintained" is read to mean prosecuted through to conclusion, it is at least arguable that Congress had expressly prohibited removal of Fair Labor Standards Act cases. Of course, there is no such provision in the Lanham Act. As the quotation from Moore's Federal Practice cited above

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[3] *Johnson v. Butler Bros.* (8th Cir. 1947), 162 F. 2d 87, cited as the "leading case" by Petitioner (Petition, pp. 27-28), no longer has any vitality even within the Eighth Circuit. See *Niswander v. Paul Hardeman, Inc.* (E.D. Ark. 1963), 223 F. Supp. 74.

demonstrates, the better reasoning is that even the language of the Fair Labor Standards Act is not specific enough to prevent removal. Thus, the cases cited by Petitioner are neither apposite nor controlling. And even if these cases were an accurate statement of the law, they would in no way support the proposition for which they are advanced by Petitioner.

Petitioner's fundamental error is, however, the conclusion that if jurisdiction is concurrent, there can be no removal. The inherent fallacy of Petitioner's conclusion is readily apparent on closer examination. There are only three alternatives with respect to federal-state jurisdiction: (1) exclusive jurisdiction in the federal courts; (2) exclusive jurisdiction in the state courts; and (3) concurrent jurisdiction in both state and federal courts. In the first case, there can be no removal given the derivative nature of removal jurisdiction. If the state court does not have jurisdiction of a matter, it cannot be removed.

> "The jurisdiction of a federal court over an action on removal from a state court is in a certain limited sense a derivative jurisdiction and removal only brings to the federal court what was pending in the state court from which the cause was removed. It follows that the existence of jurisdiction in the federal court over a cause taken to it from a state court must rest to some extent on the jurisdiction of the state court, and that if the state court had no jurisdiction the federal court can have none, although it might, by some other action originally brought or removed, have acquired jurisdiction over the controversy between the parties. * * *

"Wherever there is a total absence of jurisdiction over the subject matter in the state court, so that it has no power to entertain the action in which the controversy is sought to be litigated in its then existing or any other form, there can be no jurisdiction in the federal court to entertain it on removal, and such jurisdiction, being of the subject matter, is not of such a character as may be waived by the parties or acquired by acquiescence, stipulation or consent on their part."

2 Cyclopedia of Fed. Proc. (3d Ed. 1965 Rev'd), § 3.11, p. 198, pp. 198-200.

In the second case, no removal would be allowed since such an express statement that state courts can hear the action would, under Petitioner's analysis, be sufficient to prevent removal under 28 U.S.C. §1441. It is thus obvious that removal is inapplicable to cases in which jurisdiction is vested exclusively in either the state or the federal courts. Therefore, the only instance in which removal is proper is where jurisdiction is concurrent. However, it is precisely in this situation that Petitioner concludes that removal is improper. Carried to its logical conclusion, Petitioner's argument leads to the absurd result that there is no instance in which removal is proper.

Petitioner's argument (Petition, p. 20) that there is an "express grant of concurrent jurisdiction to state courts to hear and determine Lanham Act actions" is, of course, totally without foundation. Petitioner relies on 28 U.S.C. § 1338(a), which merely makes jurisdiction exclusive of the courts of the states in patent and copyright cases but omits to make trademark cases similarly exclusive. The state courts derive jurisdiction

over trademarks not from anything stated in an Act of Congress, but rather from the fact that trademark rights arise at common law from use and appropriation and not from federal registration.[4] Congress, in enacting Section 1338(a) did not grant anything to the states, but merely refrained from taking away the jurisdiction the states already had. To argue that this rises to the level of an express grant is simply not tenable.

In its Order of April 14, 1970 the Ninth Circuit Court of Appeals stated with respect to Petitioner's argument:

> "This contention is in error. The express grant of § 1338(a) is not of concurrent jurisdiction to state courts, but of original jurisdiction to federal courts. *Ronson Art Metal Works v. Hilton Lite Corp.*, 111 F. Supp. 691 (N.D. Cal. 1953)."

Indeed, Petitioner has conceded that concurrent jurisdiction under 28 U.S.C. 1338(a) is implicit rather than express (Petition, pp. 12, 36). Furthermore, the language of 28 U.S.C. §1338(a), even if it could be construed as an express grant of concurrent jurisdiction, can in no way be construed as an express *limitation* on the right to removal within the meaning of 28 U.S.C. §1441.

It is apparent that Petitioner has erroneously analyzed the significance of the effect of concurrent jurisdiction, failed to distinguish the numerous cases specifically holding that cases under the Lanham Act are removable and relied on authorities which are inapposite and not controlling.

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[4]See Petitioner's quotation from Callman's Unfair Competition and Trade Marks, § 90.2 (2d ed. 1947), at page 21 of the Petition.

Conclusion.

Since the District Court has original jurisdiction of this matter and the removal statute is clearly applicable, there can be little doubt that the removal is proper. It is therefore respectfully submitted that the Petition for a Writ of Certiorari should be denied.

Respectfully submitted,

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APPENDIX.

No. 25,515

IN THE UNITED STATES DISTRICT COURT OF APPEALS FOR THE NINTH CIRCUIT.

RODEO MUSIC CORP., a California corporation, doing business as BELAIR ENTERPRISES,

Petitioner,

vs.

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, and the HON. JESSE W. CURTIS, UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA,

Respondents,

and

TOYO RADIO COMPANY OF AMERICA, a corporation, TOYO RADIO CO., LTD., a corporation, and MITSUO FUKUYAMA,

Real Party in Interest.

Order Denying Writs of Prohibition and Mandamus.

Filed April 14, 1970.

Before WRIGHT and TRASK, Circuit Judges:

Petitioner has filed in this court its petition for a writ of mandamus to compel remand of the captioned cause to the state courts of California.

The action as brought in the state court included five causes of action. Four appear to be brought under California law. The fifth states a claim under the Lanham Act, 15 U.S.C. § 1051. Relying on 28 U.S.C.

§ 1441 (c), which permits removal of the entire case when a removable claim is joined with other, non-removable claims, the respondent removed the case to the district court, and the latter denied a motion for remand.

Petitioner contends that removal was improper, and argues that 28 U.S.C. § 1338 (a) constitutes an express congressional grant of concurrent jurisdiction to state courts over trademark matters, and hence an express exception to the removal statute, 28 U.S.C. §1441. This contention is in error. The express grant in § 1338(a) is not of concurrent jurisdiction to state courts, but of original jurisdiction to federal courts. *Ronson Art Metal Works v. Hilton Lite Corp.*, 111 F. Supp. 691 (N.D. Cal. 1953).

The petition is denied.

/s/ Edgar A. Wright

/s/ Odell M. Trask

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA.

No. 69-2562-JWC

RODEO MUSIC CORP., a California corporation, dba BELAIR ENTERPRISES,

Respondent,

vs.

TOYO RADIO COMPANY OF AMERICA, a corporation, TOYO RADIO CO., LTD., a corporation and MITSUO FUKUYAMA,

Defendants-Petitioners.

Order Denying Plaintiff's Motion to Remand.

Filed Feb. 13, 1970.

The plaintiff moves to remand this action to the state court, where it was originally commenced and from which it has recently been removed upon defendant's petition. The complaint is essentially one for unfair competition and trademark infringement and seeks relief both under California laws and also under the provisions of the Lanham Act 15 U.S.C. § 1051, *et seq.* The complaint also contains a claim for breach of contract and one for fraud, the defendants contend that since the complaint involves a question under the Lanham Act, one over which this court has original jurisdiction, its removal here was proper under 28

U.S.C. § 1441 and that it should not be remanded. With this we agree. This removal section provides:

> "(a) Except as otherwise expressly provided by Act of Congress, any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant. . . .
>
> "(c) Whenever a separate and independent claim or cause of action, which would be removable if sued upon alone, is joined with one or more otherwise non-removable claims or causes of action, the entire case may be removed and the district court may determine all issues therein, or, in its discretion, may remand all matters not otherwise within its original jurisdiction."

It is clear that this action, containing as it does a cause of action under the provisions of the Lanham Act, is one over which the federal court has original jurisdiction. There is no contention to the contrary. Plaintiff contends, however, that in case of unfair competition for trademark infringement both the state and federal courts have concurrent jurisdiction and that where this is true, a plaintiff should be permitted to choose the forum. Having chosen the state court in this case, the plaintiff maintains its removal is improper. There is no authority, however, to support this contention. Plaintiff first cites *Couch v. White Motor Co.*, 290 F.Supp. 697 at 699 (W.D.Mo. 1968). This, however, was a question of diversity where it was contended that removal was improper because the joinder of a resident defendant was done fraudulently for the purpose of defeating federal jurisdiction. Where there was some doubt as to the sufficiency of the petition

for removal, the court held that unless it was clear from the petition for removal that the federal court had jurisdiction, the case should not be taken from the state court, and ultimately held that the petition for removal was defective.'

Plaintiff also relies on *Wilkins v. Renault Southwest, Inc.*, 227 F.Supp. 647 (N.D.Texas 1964). This was an action under the Fair Labor Standards Act where the plaintiff sought to recover overtime and liquidated damages. Construing the provisions of the Act providing that such an action could be brought in any court of competent jurisdiction, the court held that both state and federal courts had concurrent jurisdiction and that an action once commenced in state court could not, over plaintiff's objection, be removed. But the rule in the cases involving violations of the Fair Labor Standards Act is based upon an interpretation of the unique features of that Act, which are not applicable to the provisions of the Lanham Act.

The court in the *Wilkins* case quoted from the Senate report, as follows:

> "'Congress itself has recognized the inadvisability of permitting removal of cases arising under its own laws which are similar to the workmen's compensation acts of the States. In the Jones Act, the *Fair Labor Standards Act*, and the Railway Employers' Liability Act, all of which are in the nature of workmen's compensation cases, the Congress has given the workman the option of filing his case in either the State court or the Federal court. If filed in the State courts the law prohibits removal to the Federal court. This proposed legislation accomplishes this same purpose and grants

the same privilege to workmen who are entitled to compensation under the State workmen's compensation act—that is, the workman has the option to file his case in either the Federal or the State court. If he files in the State court it is not removable to the Federal Court.' "

It seems clear that the removal of an unfair competition action involving a federal question under the Lanham Act is proper. *Ronson Art Metal Works v. Hilton Lite Corp.*, 111 F.Supp. 691 (N.D. Cal. 1953).

The motion to remand is, therefore, denied.

Dated: February 13, 1970.

/s/ Jesse W. Curtis
JESSE W. CURTIS
United States District Judge

Statutes Involved.

15 U.S.C. § 1121.

§ 1121. *Same; jurisdiction of Federal courts*

The district and territorial courts of the United States shall have original jurisdiction and the courts of appeal of the United States shall have appellate jurisdiction, of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties. July 5, 1946, c. 541, Title VI, § 39, 60 Stat. 440; June 25, 1948, c. 646, §§ 1, 32(a), 62 Stat. 870, 991; May 24, 1949, c. 139, § 127, 63 Stat. 107.

15 U.S.C. § 1127.

§ 1127. *Construction and definitions; intent of chapter*

In the construction of this chapter, unless the contrary is plainly apparent from the context—

The United States includes and embraces all territory which is under its jurisdiction and control.

The word "commerce" means all commerce which may lawfully be regulated by Congress.

The term "principal register" refers to the register provided for by sections 1051-1072 of this title, and the term "supplemental register" refers to the register provided for by sections 1091-1096 of this title.

The term "person" and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this chapter includes a juristic person as well as a natural person. The term "juristic person" includes a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law.

The terms "applicant" and "registrant" embrace the legal representatives, predecessors, successors and assigns of such applicant or registrant.

The term "Commissioner" means the Commissioner of Patents.

The term "related company" means any person who legitimately controls or is controlled by the registrant or applicant for registration in respect to the nature and quality of the goods or services in connection with which the mark is used.

The terms "trade name" and "commercial name" include individual names and surnames, firm names and trade names used by manufacturers, industrialists, merchants, agriculturists, and others to identify their businesses, vocations or occupations; the names or titles lawfully adopted and used by persons, firms, associations, corporations, companies, unions, and any manufacturing, industrial, commercial, agricultural, or other organizations engaged in trade or commerce and capable of suing and being sued in a court of law.

The term "trade-mark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

The term "service mark" means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others. Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

The term "certification mark" means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

The term "collective mark" means a trade-mark or service mark used by the members of a cooperative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization.

The term "mark" includes any trade-mark, service mark, collective mark, or certification mark entitled to registration under this chapter whether registered or not.

For the purposes of this chapter a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith.

A mark shall be deemed to be "abandoned"—

(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie abandonment.

(b) When any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin.

The term "colorable imitation" includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive.

The term "registered mark" means a mark registered in the United States Patent Office under this chapter or under the Act of March 3, 1881, or the Act of February 20, 1905, or the Act of March 19, 1920. The phrase "marks registered in the Patent Office" means registered marks.

The term "Act of March 3, 1881", "Act of February 20, 1905", or "Act of March 19, 1920," means the respective Act as amended.

A "counterfeit" is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.

Words used in the singular include the plural and vice versa.

The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable limitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trade-marks,

trade names, and unfair competition entered into between the United States and foreign nations. July 5, 1946, c. 540, Title X, § 45, 60 Stat. 443; Oct. 9, 1962, Pub.L. 87-772, § 21, 76 Stat. 774.

28 U.S.C. § 1331.

§ 1331. *Federal question; amount in controversy; costs*

(a) The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and arises under the Constitution, laws, or treaties of the United States.

(b) Except when express provision therefor is otherwise made in a statute of the United States, where the plaintiff is finally adjudged to be entitled to recover less than the sum or value of $10,000, computed without regard to any setoff or counterclaim to which the defendant may be adjudged to be entitled, and exclusive of interests and costs, the district court may deny costs to the plaintiff and, in addition, may impose costs on the plaintiff. June 25, 1948, c. 646, 62 Stat. 930; July 25, 1958, Pub.L. 85-554, § 1, 72 Stat. 415.

28 U.S.C. § 1338.

§ 1338. *Patents; copyrights, trade-marks, and unfair competition*

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair com-

petition when joined with a substantial and related claim under the copyright, patent or trademark laws. June 25, 1948, c. 646, 62 Stat. 931.

28 U.S.C. § 1441.

§ 1441. *Actions removable generally*

(a) Except as otherwise expressly provided by Act of Congress, any civil action, brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant or the defendants, to the district court of the United States for the district and division embracing the place where such action is pending.

(b) Any civil action of which the district courts have original jurisdiction founded on a claim or right arising under the Constitution, treaties or laws of the United States shall be removable without regard to the citizenship or residence of the parties. Any other such action shall be removable only if none of the parties in interest properly joined and served as defendants is a citizen of the State in which such action is brought.

(c) Whenever a separate and independent claim or cause of action, which would be removable if sued upon alone, is joined with one or more otherwise non-removable claims or causes of action, the entire case may be removed and the district court may determine all issues therein, or, in its discretion, may remand all matters not otherwise within its original jurisdiction. June 25, 1948, c. 646, 62 Stat. 937.